



COMMITTEE RECOMMENDATIONS TO BOARD

Date: November 14, 2011
To: Columbia Association Board of Directors
From: Alex Hekimian, Chair Planning and Strategy Committee (PSC)
Subject: Senior Discount Proposal

Issue: The PSC reviews and recommends to the Columbia Association Board of Directors the approval of items related to the CA Budget Process and Budget development as vetted through the PSC process. This includes input from the Board, Committees, Villages, and Staff.

Discussion: The PSC reviewed a proposal for offering a Senior Discount on CA memberships considering input from other Board Members and Staff at the 11.10.11 meeting. The PSC voted on a proposal to forward to the full Board for approval.

Recommendation of Committee:

By consensus the PSC

Has no recommendation.

Recommends the following action be taken or motion be approved by the CA Board of Directors in regards to the issue described above.

Justification for Recommendation:

Motion: The recommendation must be written in the form of a motion or resolution.

The PSC moves that the CA Board of Directors approve a membership discount for Seniors, per the following: To thank seniors for continuing to live in Columbia and to encourage "aging in place", [CA] establish[es] a standard 10% senior discount for CA memberships to be applied on top of any other CA discounts that may be available (such as the early renewal discount), for Columbia residents age 65 and over [older].



November 16, 2011

To: CA Board of Directors

cc: Phil Nelson, Susan Krabbe, Valerie Barnard, Bob Bellamy

From: Rob Goldman, Governance Chief of Staff

RE: PSC Recommendation re: Senior Membership Discounts

Agenda item 9(b)4 on the 11/22/11 Board of Directors Meeting Agenda is the recommendation from the PSC regarding Resident Senior Membership Discounts. The recommendation is to give a 10% discount on all memberships **over & above any other discounts**.

At its May 8, 1986 meeting the CA Board, operating as the Columbia Council at that time, approved a policy document entitled "Membership Marketing Parameters". One of those parameters is, "There will be no double discounting".

So, as a point of order, I would suggest that the Board must first vote to change its current "no double discounting" policy, before addressing the PSC recommendation.



November 16, 2011

To: CA Board of Directors

From: Rob Goldman

Re: Older Adult Membership Discount Alternative Proposal

Based on some good ideas that were discussed at last Thursday's (11/10/11) PSC meeting, staff would like to propose the following alternative proposal for older adult membership pricing:

1. Beginning May 1, 2012 all resident older adults (65+) purchasing **new** memberships will enjoy a 15% discount off the new member rate for whatever membership they wish to purchase. (This will make CA competitive with those other organizations in this market that offer senior discounts.)
2. CA will continue to enhance programs and services that serve the older adult community. This will be done both by continued dialogue with the older adult community and by continued benchmarking of older adult programs and services in the region and the nation. (For your reference a memo to the BOD that documents all of the current CA programs and services that serve the older adult community is attached to the 11/22/11 BOD agenda).
3. CA will enhance and further target communication, marketing and advertising to the older adult community in order to best communicate this new membership discount and all of the programs and services that serve the older adult community. As a side note, we implemented a consultant's recommendation years ago to refer to seniors as "older adults" or "mature adults" in our materials including the CA website, as a more positive marketing demographic descriptor.

As you all know, staff believes the senior membership discount that the PSC has voted to recommend to the CA BOD is not in the best interest of the Association. The 10% across-the-board discount on all resident older adult memberships will be costly to CA. In the first year it will cost CA over \$83,000 and that cost will grow each year. Staff currently projects the cost to rise to approx. \$150,000/year in 2020, \$215,000/year by 2030, and \$250,000/year by 2040. And, while this discount will be costly to CA, it will not be very significant to the individual members it will affect. An individual outdoor pool member will save \$1.75/month, an individual Supreme Sports club, Athletic Club or Columbia Gym member will save \$4.58/month, an individual Package Plan member will save \$4.83/month, and an individual Package Plan Plus member will save \$7.67/month.

Staff believes that current income qualified discounts of 75% off of outdoor pool memberships and 50% off of all other memberships enable everyone of all ages to obtain the membership of their choice regardless of their income. The guidelines currently provide those discounts for individuals earning up to \$45,100 and 2-person families earning up to \$51,550. Currently 351 resident older adults take advantage of these income qualified discounts. That is 14.6% of the 2408 current resident older adult members. And staff believes that the money that would be spent on these new discounts would be better spent enhancing programs and services that serve our older adult community.

Additionally, allowing the 10% discount to be added on to the renewal and other discounts (double discounting) creates a precedent that could also be very costly to the Association. Allowing this double discounting is not consistent with best practices in the sport & fitness industry and the entire retail sales industry.

We look forward to discussing this proposal with you at the 11/22/11 BOD meeting.

Analysis of Reinstating Senior Discounts on Memberships

Methodology.

This analysis projects membership and population numbers among the senior population through the year 2040. The analysis is based on the 2010 census data, and associated projections as provided by the Maryland State Department of Planning. In those cases where projections based on the 2010 were not available, the projections made by the Department of Planning based on the 2000 census were updated based on 2010 actuals. Actual performance data from the CA membership system was used through FY 2010. Membership performance projected through 2040 was based on historical trends. The projections are shown for comparison purposes only and do not replace projections that may appear in the Economic Model.

Background.

The Columbia Association has been asked to consider re-instituting the discount that had been offered to Seniors on memberships and at the golf courses until 2008. That discount was just one of the ways in which CA has attempted to serve the seniors of our community. In fact, the issue as to how best to serve an aging community is one that the Columbia Association has studied many times. Some of the ideas have been implemented; others have been determined to be too costly or unfeasible. Before addressing the current issue with regard to discounts, it might be helpful to review the history regarding discounts and other programs.

In the early-90's the Sports and Fitness Division conducted a number of focus groups among members and non-members. The focus groups were stratified amongst people aged 45-55; 55-65 and 65 and older. The purpose of the groups was to find

out what, if anything, the Columbia Association could do to appeal to seniors. At that time CA also engaged a consultant with expertise on developing older-adult programs in recreation facilities. The results of the focus groups plus the input from the consultant have greatly influenced CA's approach to the issue. To summarize, CA discovered that most seniors would not be attracted to CA's membership offerings, no matter what was offered. They had already developed a lifestyle that did not include going to a Columbia Association facility, and were not willing to change. They looked to the Florence Bain Center or other such facilities for exercise and socialization, and they were not likely to join CA regardless of the price or the services, programs or amenities. On the other hand, members between the ages of 35 and 55, valued their membership with CA. Visiting CA facilities was an integral part of their lifestyle, and they wanted CA to modify its programs and facilities so that they could continue to enjoy the facilities as they aged. Non-members in that same age group provided the most potential for CA. Like members, they wanted to become involved with CA and were interested in maintaining a healthy lifestyle as they aged. Their barriers to joining CA revolved around not having enough personal attention and being taught how to use equipment. For most of these people, price was not a barrier.

Based on these initial studies, CA made significant changes to its amenities and programs, in anticipation that the persons aged 45-60 in the early 90's would want to stay with CA or join CA, provided that CA accommodated their needs as they aged. Among the facility modifications that they desired were a hot water therapy pool, more room between equipment, music they can relate to, arthritis classes, and more. Based on these ideas, the Columbia Association remodeled the Athletic Club with a focus towards older adults.

CA also instituted the WINN (When If Not Now) program in the early 1990's which is aimed at introducing older adults to regular exercise and which offers one-on-one guidance and training. The WINN program has introduced hundreds of Columbians to a lifestyle of physical activity over the years.

Historical Performance and Projections.

The success of these changes is apparent in the following chart.

Senior Population and Their Participation in CA (Actual Data 1997-2010)

	HoCo 65+ Population	No. of 65+ Members	Percent of 65+ Seniors who are Members	Total No. of Members	Percent of members who are seniors
1997	15237	640	4.2%	56123	1.1%
2000	18468	850	4.6%	64123	1.3%
2003	20802	1472	7.1%	63727	2.3%
2010	29045	3201	11.0%	63383	5.1%

In the early 90's there were fewer than 1000 senior participants among all CA's facilities and they accounted for only 1.1% of CA's members. As CA modified its facilities and programs to better appeal to seniors, it projected that it would need to sustain members then in the 35-55 age group as they grew older. Projections made at that time assumed that by the year 2010, CA would need to grow its senior participation from 4.2% of the available population to 13.8%. The actual number of senior members in 2010 shown above of 3,201 (which represents 11% of the available population) compares favorably with that projection.

Furthermore, the 3,201 senior memberships sold in 2010 represent a growth of 400% and now accounts for 5.1% of the available members (compared to 1.1% in 1997). Without this growth in senior participation, CA would not have continued to increase the total number of memberships. The chart below shows the currently projected growth of senior participation.

Senior Population and Member Projections – 2015-2040 (Realistic Projection)

	HoCo 65+ Population	No. of 65+ Members	Percent of 65+ Seniors who are Members	Total No. of Members	Percent of Members who are Seniors
2015	38830	4590	11.8%	65545	7.0%
2020	46960	5745	12.2%	67254	8.5%
2025	55010	6915	12.6%	68477	10.1%
2030	63600	8326	13.1%	69830	11.9%
2035	68130	9328	13.7%	70998	13.1%
2040	68790	9831	14.3%	72179	13.6%

Source for Population Projections – MD State Dept. of Planning

The next chart shows the potential impact of reinstating a senior discount of 15%. The cumulative cost of the discount over the period from 2015-2040 would be about \$13.9 million dollars.

Assumptions.

The amount of the projected senior discount was calculated based on actual prices and the distribution among various types of memberships that were purchased (i.e. Pools, Package Plans, etc.) It was assumed that 40% of the senior participants would purchase memberships in which two persons in the household were seniors. That is why the number of senior memberships projected is less than the number of participants.

While the number of members and memberships were projected to grow based on the growth in the senior population, revenue projections were based on present value. Price increases were not factored into the projections.

Potential Impact of Reinstating a Senior Discount. (Realistic Option)

Years	No. of Senior Members	No. of Senior Memberships	Potential Loss of Revenue Due to Senior Discount (\$000)
2015	4590	3213	\$345
2020	5745	4022	\$432
2025	6915	4841	\$520
2030	8326	5828	\$626
2035	9328	6530	\$701
2040	9831	6882	\$739
Total			\$13,855

It could be argued that the discount would encourage more participation. The chart below quantifies the number of incremental senior memberships that would be needed to offset the discount.

Number of incremental memberships needed to offset a 15% discount.

Years	Average Amount of Discount per Senior Membership	No. of Senior Memberships Projected	Potential Revenue Lost as Result of the Senior Discount (\$000)	Additional Senior Memberships Needed to Offset the Discount
2015	\$107.37	3213	\$345	567
2020	\$107.37	4022	\$432	710
2025	\$107.37	4841	\$520	854
2030	\$107.37	5828	\$626	1029
2035	\$107.37	6530	\$701	1152
2040	\$107.37	6882	\$739	1214
Total			\$13,855	22,773

If the discount did not produce incremental senior members, then it would have to be absorbed by the non-Senior population. The chart below shows that between 2015 and 2040, fees per non-Senior member would have to be increased by \$5.65 to \$11.85 per person in order to cover the cost of a senior discount. Assuming an average of 4 persons on a family membership, this would equal an average increase of \$23 to \$47 per family.

Potential Impact of a Senior Discount on Non-Senior Members – Realistic Option

Years	Total No. of Members	No. of Senior Members	No. of Non-Senior Members	Potential Loss of Membership Income as Result of Restoring the Senior Discount	Additional fee to potentially be paid per non-Senior Member to absorb the discount
2015	65545	4590	60956	\$345	\$5.65
2020	67254	5745	61509	\$432	\$7.02
2025	68477	6915	61562	\$520	\$8.44
2030	69830	8326	61504	\$626	\$10.17
2035	70998	9328	61670	\$701	\$11.37
2040	72179	9831	62348	\$739	\$11.85

Relationship between Income Qualified Discounts and Senior Population

The issue of need is also one that would impact the decision to re-institute a senior discount. During the Strategic Planning sessions of 2003, some studies were done regarding how many seniors already qualified for the income-qualified program. Attached is a table presented at that time which showed the number of senior households in Columbia

by income. This source of this information was the 2000 Census. More recent figures are yet to become available. Based on this data, almost 66% of senior households in Columbia (2377 households) qualify for an income based discount.* Of the remaining senior households, 37% have incomes in excess of \$100,000.

Distribution of Senior Households in Columbia by Income

Less than \$10,000	475	13.2%
\$10,000 to \$19,999	447	12.4%
\$20,000 to \$29,999	383	10.6%
\$30,000 to \$39,999	442	12.3%
\$40,000 to \$49,999	267	7.4%
\$50,000 to \$59,999	363	10.1%
\$60,000 to \$74,999	381	10.6%
\$75,000 to \$99,999	383	10.6%
\$100,000 to \$124,999	218	6.1%
\$125,000 to \$199,999	200	5.6%
\$200,000 and more	40	1.1%
Total	3599	100%

Source: 2000 Census

*In 2011, a family of 2 making \$57,600 or less receives a 40% discount; making \$51,500 or less receives a 50% discount.



August 17, 2011

TO: CA Board of Directors

CCS: Phil Nelson, Michelle Miller, Bob Bellamy

FROM: Rob Goldman

SUBJECT: CA Programs & Services Serving the Older Adult Community

For your information, I have compiled the following list of CA Services & Programs that serve Columbia's older adult community. Some of these programs and services are for the exclusive use of older adults (seniors). Most of them, however, are open to all age groups and attract considerable older adult participation. I have also attached two files that are currently in use and promote older adult activities and another that promotes the senior events shuttle service.

Community Services Division

- ✓ Senior Events Shuttle (see attached flyer)
- ✓ Senior Advisory Committee
- ✓ Art Center Classes
- ✓ Grant To Neighbor Ride Program
- ✓ The Volunteer Center Serving Howard County
- ✓ The Columbia Exchange (Time Banking Program)
- ✓ Columbia Archives Events
- ✓ Lakefront Events

Fitness Clubs

- ✓ The **When If Not Now** (WINN) program, an introduction to exercise program for older adults with lots of 1-on-1 coaching, has served Columbia's older adult community for approximately 15years.
- ✓ The Fit Beginnings (Intro to Exercise) and Optimal Health (Comprehensive Weight Management) Physician Referral Programs have both been especially attractive to older adults.

Group Exercise Classes that Attract Older Adult Participation					
Class	Times offered	Days	Clubs	Description	Avg Attend
Ai Chi	1 time per week	Sunday	AC	Gentle mind and body exercises in warm water.	20-25
Aqua Arthritis/Plus	10 times per week	Mon-Sat	AC	Gentle exercises in the water to help decrease pain and stiffness	20-30
Aqua Fitness	9 times per week	Sun thru Sat	SC and SSC	Aerobics, flexibility and muscle conditioning in the water	20-25
Arthritis Exercise	1 time per week	Monday	AC	Gentle exercises to help decrease pain and stiffness	10-20
Basic Aerobics	3 times per week	toes/wed/fir	SSC, AC	Varying intensity low impact aerobics with some muscle conditioning.	15-25
Body Vive	5 times per week	M/w/Thur/sat	AC	Low impact workout at various intensities plus, Strengthening balance and core exercises	15-25
Deep Water Fitness	6 times per week	Mon-Sat	Swim Center	Aqua fitness exercise in the deep water Flotation devices available	20-25
Express Cycle	2 times per week	Mon/Wed (seasonal)	SSC	30 minute cycle program designed for beginners or members who want a shorter ride	20-25
Express Zumba Gold	1 time per week	Sunday	AC	a 45 minute Zumba gold Class	25-30
Gentle Yoga	3 times per week	Mon and Fri	AC	Focus on stress reduction and flexibility, using slow, conscious movements.	10-15
Pilates Mat 1 (fee based)	4 times per week	T,W,Th, Sun	SSC, AC, CG	Learn classical sequences of Pilates routine on a floor mat	8-10
SharQui Belly Dance	2 times per week	Tues, Wed	CG	An anatomical approach to belly dance that helps gain strength, stamina, and muscle isolation	new class this fall
Qigong	2 times per week	Tues, Thurs	AC	A less complex form of Tai chi. Great for Beginners	5-10
Tai Chi	1 time per week	Thursday	AC	Ancient Chinese discipline tones muscles, relaxes nerves, without overtaxing heart or joints	4-15
Women Weights and Oste	8 times per week	Sun thru Sat	AC	Learn to use free weights and to incorporate them into your workout (45 minutes)	25-30
Yoga I	3 times per week	m/Thurs./sun	SSC, AC, CG	For beginning students with focus on basic postures	10-20
Zumba Circuit (fee based)	2 times per week	Mon/Tues	AC, SSC	a 45 minute Zumba®Gold fitness Class	10-15
Zumba Gold	4 times per week	Tue/Wed/Fri	SSC, AC, CG	A lower intensity less impact version of Zumba	25-35
Zumba Toning	1 time per week	Friday	AC	Zumba® fitness with toning sticks for added light weight resistance	25-35

Hobbits Glen Golf Club

- ✓ Men's Senior League – 90 members – play every Thursday A.M. April-October
- ✓ A senior division is included in most weekend tournaments
- ✓ Senior club championship each August – Approximately 40 players

Fairway Hills Golf Club

- ✓ Tuesday A.M. Men's Senior League – 95 members
- ✓ Monday night Schamble League – 6 students per class
- ✓ Wednesday night Green League – 24 players per session
- ✓ Thursday Ladies 9-Hole League – 35 members

CA Tennis

Seniors Playing in Columbia Tennis Leagues – 2011

Division	Gender	Age	Participants
Senior	Women	50+	184
Senior	Men	50+	210
Super Duper	Men	65+	26
Senior Mixed	Men	50+	47
Senior Mixed	Women	50+	45
Super Senior	Men	60+	104
Super Senior Mixed	Men	60+	18
Super Senior Mixed	Women	60+	21
Total			655

Aquatics

- ✓ Outdoor Pools "Senior Swim": Dasher Green – Tuesdays 12-3 pm; Hobbits Glen – Wednesdays 12-3 pm; Locust Park – Fridays 10:30 am – 1:00 pm
- ✓ Swim Center "Senior Swim": Mondays & Wednesdays 2-3 pm
- ✓ Aqua Aerobics & Group Exercise Classes are included in Group Exercise chart